

BEFORE THE  
POSTAL RATE COMMISSION  
WASHINGTON, D.C. 20268-0001

EXPERIMENTAL RATE AND SERVICE CHANGES  
TO IMPLEMENT NEGOTIATED SERVICE AGREEMENT  
WITH CAPITAL ONE SERVICES, INC.

Docket No. MC2002-2

UNITED STATES POSTAL SERVICE INTERROGATORIES  
AND REQUEST FOR PRODUCTION OF DOCUMENTS  
TO NEWSPAPER ASSOCIATION OF AMERICA WITNESS KENT  
(USPS/NAA-T1-1-13)

Pursuant to rules 25 and 26 of the Rules of Practice and procedure,  
the United States Postal Service directs the following interrogatories and  
requests for production of documents to Newspaper Association of  
America witness Kent: USPS/NAA-T1-1-13.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

Daniel J. Foucheaux, Jr.  
Chief Counsel, Ratemaking

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January 16, 2003

USPS/NAA-T1-1. Please refer to page 3, line 12 of your testimony where you claim that the Postal Service “will experience” a loss of revenue “from the discounts it is granting COS.” Please confirm that if Capital One sends fewer than 1.225 billion PERMIT-identified First-Class Mail pieces, it will in fact receive no discounts at all.

USPS/NAA-T1-2. Please reconcile your claims of “no evidence” of the mail mix of Capital One’s mail as compared to the FCM average mix on page 8, lines 3-4 of your testimony, with witness Crum’s response to NAA/USPS-T3-16 and Attachment A, Page 1 to testimony of witness Crum, USPS-T-3.

USPS/NAA-T1-3. Please refer to page 9, lines 18-20 of your testimony, where you discuss the reduction of the costs of physical returns under PARS because the mailpiece will be caught and identified at a much earlier stage.

- a) Please confirm that in this part of your testimony you are referring to the fact that PARS will be able to intercept certain pieces at the origin processing plant and before it reaches the delivery unit. If you cannot confirm, please explain.
- b) Please confirm that the only mail that PARS will intercept before it reaches the delivery unit is mail bearing an address covered by a change of address order or to a post office box that has closed. If you cannot confirm, please explain.
- c) Please confirm that the only mail that should be physically returned that PARS would intercept before the delivery unit is mail where a forwarding order has expired or a post office box has closed. If you cannot confirm please explain.
- d) Please confirm that PARS will intercept mail has been sorted to the AADC, 3-Digit, or 5-Digit only at the destinating processing facility.
- e) Please refer to Attachment A, p. 1 to the testimony of witness Crum, USPS-T-3. Please confirm that in FY2001, almost 1 billion pieces were sorted to the AADC, 3-Digit, or 5-Digit.
- f) Please assume that Capital One’s mail mix reflected in Attachment A, p. 1 remains the same after PARS is implemented. Please confirm that at best, only a very small part of Capital One’s mail will be intercepted at the origin facility.

USPS/NAA-T1-4. Please assume the following:

- Mailings A, B and C have the same volume and mail mix.
- All mailings start with the same address list and that the list contains addresses that match the change of address order on file with the Postal Service.
- Mailings A, B, and C are identical in all respects except that:
  - ✓ The list used for Mailing A was run through NCOA 60 days before the mailing. The list used for Mailing B was run through NCOA 180 days before mailing.
  - ✓ The list for Mailing C was not run through NCOA or FastForward. Instead the mail pieces use an address correction service endorsement.
- Assume that each of the mailings is run through PARS.
  - a) Please confirm that PARS will intercept more pieces of Mailing C than Mailing B. If not please explain.
  - b) Please confirm that PARS will intercept more pieces of Mailing B than Mailing A. If not, please explain.

USPS/NAA-T1-5. While the Postal Service has stated that Capital One's forwarding rate is unknown, please reconcile your comments that there is "no evidence" as to its forwarding rate with witness Crum's comments in POIR 3 regarding its match rate and witness Wilson's comments in his response to APWU-T2-8 regarding its address management practices. Is it your opinion that unless you know a given piece of information with certainty that there is "no evidence" of its existence? Please explain.

USPS/NAA-T1-6. Please refer to your testimony on page 10 at lines 1-10. Please confirm that PARS will likely reduce the cost of providing ACS notices.

USPS/NAA-T1-7. Please confirm that the Capital One NSA reflects the business judgment of the United States Postal Service

USPS/NAA-T1-8.

- (a) Please confirm that if the NSA had a net positive contribution of \$10,000, it would be permissible under the Postal Reorganization Act, assuming that other requirements of the Act are met? If you do not confirm, please explain fully.
- (b) What is the minimum contribution necessary to comply with the PRA?

USPS/NAA-T1-9. Please confirm that it is possible that the Postal Service overestimated the costs of providing ACS notice for Capital One mail that would otherwise be returned. If you do not confirm, please explain fully.

USPS/NAA-T1-10. Please refer to your testimony at page 6, line 8, where you state that other mailers have better address hygiene. Please confirm that a key component of address hygiene is that a mailer's list reflects the most current Change of Address information available. If you can not confirm, please explain fully.

USPS/NAA-T1-11. Please confirm that a mailer who runs NCOA every 60 days will have more current Change of Address information than one who runs NCOA every 60 days.

USPS/NAA-T1-12. Please refer to page 11 of your testimony, footnote 8 and the accompanying text. Please provide a cite to USPS-LR-J-58 where the cost of returns is provided.

USPS/NAA-T1-13. Please confirm that the cost savings of the NSA relate solely to solicitation mail.

## **CERTIFICATE OF SERVICE**

I hereby certify that I have this day served the foregoing document upon all participants of record in this proceeding in accordance with section 12 of the Rules of Practice.

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